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UNITED STATES DEPARTMENT OF AGRICULTURE

MISCELLANEOUS CIRCULAR No. 23

WASHINGTON, D. C.

MARCH, 1924

THE AGRICULTURAL OUTLOOK FOR 1924



PREPARED BY THE STAFF
OF THE
BUREAU OF AGRICULTURAL ECONOMICS



WASHINGTON
GOVERNMENT PRINTING OFFICE
1924

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THE AGRICULTURAL OUTLOOK FOR 1924.

Prepared by the Staff of the Bureau of Agricultural Economics.

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PLANTING INTENTIONS ON MARCH 1, 1924.

The following statement presents farmers' intentions to plant in 1924, as reported to the U. S. Department of Agriculture between February 15 and March 1, together with a review of the general agricultural outlook. The statement of intentions to plant has been prepared by the Crop Reporting Board of the department, based upon returns from over 43,000 producers. The review of the general situation has been prepared by the staff of the Bureau of Agricultural Economics.

The purpose of this combined report is to furnish information which will enable farmers to make such adjustments in their planting plans for 1924 as may seem desirable in order to prevent the over or underplanting of particular crops.

The statement of farmers' intentions to plant is not a forecast of the acreage that will actually be planted. It is simply an indication of what farmers had in mind to plant at the time they made their reports, compared with what they harvested last year. The acreage actually planted may be larger or smaller than these early intentions reports indicate, due to weather conditions, price changes, labor supply, and the effect of the report itself upon producers' action. Therefore the first acreage reports issued in June should not be expected to show the same increases or decreases as the intentions reports.

COTTON.

Because of pending national legislation specifically prohibiting reports of intentions to plant cotton, no report has been compiled.

CORN.

The report shows on March 1 farmers were planning to increase the corn acreage about 3 per cent over last year, following an increase of about one per cent in 1923 compared with 1922. These increases largely replace wheat. The North Atlantic and East North Central States plan an increase of 1 to 2 per cent. In the West North Central States an increase of about 6 per cent is indicated, and in the Far Western States an increase of about 13 per cent over last year. Increases ranging from 4 to 8 per cent are shown for Iowa, Illinois, Wisconsin, Minnesota, and South Dakota, while the acreage intended to be planted in Kansas is reported as 10 per cent more than a year ago. In the principal cotton states an increase of about 1 per cent is expected.

SPRING WHEAT.

The spring wheat acreage in 1924 will be 14 per cent below the acreage harvested in 1923 if present intentions are carried out. The 1923 acreage was 5 per cent less than in 1922. Much of this acreage is being shifted to flax, oats, and corn. North Dakota plans a decrease of 16 per cent, South Dakota 18 per cent, Minnesota and Washington 15 per cent, and Montana 5 per cent.

OATS.

An increase of 7 per cent is shown in the intended acreage of oats. Increases are reported of about 4 per cent in the North Atlantic States; 6 per cent in the East North Central group; 8 per cent in the West North Central group, and 7 per cent in the far Western States. A decrease of about 14 per cent is shown in the South Atlantic States, due to the heavy loss of fall sown oats from winter killing. In the South Central States the increase was reported at 20 per cent, even after rather severe losses in Alabama and other States from winter freezes. Large intended increase, ranging from 10 to 35 per cent are shown for the double tier of States stretching from Maryland and Virginia through West Virginia, Kentucky, Tennessee, Missouri, Arkansas, Kansas, Oklahoma, Colorado, and New Mexico, and in Texas and Wyoming.

BARLEY.

An increase of 9 per cent in the intended acreage of barley for 1924 over the plantings of 1923 is shown. The intended increase in the Western States is about 19 per cent; in the East North Central States about 9 per cent, and in the West North Central States about 5 per cent.

RYE.

The acreage of rye reported sown last fall was 84 per cent of the area sown in the fall of 1922. Present reports show an acreage to be harvested for grain of slightly less than 79 per cent, indicating that producers are planning to use a larger proportion of the crop than usual for pasturage and soil improvement, and less for grain.

FLAX.

The flax acreage will again be greatly increased if present indications are carried out, these being for a 54 per cent increase over last year. This proposed increase will follow an actual increase of 85 per cent made last year over the acreage of 1922. Producers report their intention to increase the acreage of flax more than double in Montana; 60 per cent in North Dakota, 40 per cent in South Dakota, and 33 per cent in Minnesota.

RICE.

The intended acreage of rice is the same as last year. Increases in Arkansas and California have offset decreases in Louisiana and Texas.

GRAIN SORGHUMS.

An intended decrease of about 6 per cent is reported, the decline being mostly in Oklahoma and Kansas. The extent to which winter wheat may be abandoned due to winter killing will be one of the important factors which will determine the acreage that will actually be planted.

TAME HAY.

An increase of 4 per cent is intended in the acreage of tame hay that will be harvested this year, only a few States showing decreases. The prospective increase is 3 per cent in the Far Western States, 5 per cent in the South Atlantic and East North Central; 6 per cent in the West North Central, and 8 per cent in the South Central. Probable increases of 10 per cent or more are reported for Indiana, Illinois, North Dakota, Alabama, Mississippi, and Oklahoma.

POTATOES.

A decrease of 2 per cent in the acreage for 1924 compared with 1923 will occur if present intentions are carried out. The acreage in 1923 was 12 per cent below the planting of 1922. The reduction is heaviest in the important producing sections, the decrease being 5 per cent in the East North Central States, 10 per cent in the West North Central group, and 7 per cent in the far western States. Intended increase of 4 per cent in the important North Atlantic States and of 9 per cent in the South Atlantic and 12 per cent in the South Central States are reported. Intended decreases ranging from 8 to 20 per cent are reported from New Jersey, Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, Colorado, Idaho, and Washington.

TOBACCO.

The intentions of farmers to plant tobacco on February 15 in the Southern States and March 1 in the North States showed that the same acreage as last year was contemplated, considering all types of tobacco, and all States. The Atlantic Coast States as a whole showed an increase of about 4 per cent, Pennsylvania showing an increase of 7 per cent, while the Carolinas show a slight decrease. The small acreage in Georgia will probably be more than trebled. Ohio and Indiana plan slight increases, while Wisconsin intends a decrease of about 9 per cent. Kentucky expects to decrease about 5 per cent, and Tennessee about 7 per cent. Weather and price changes may make material changes in present intentions before planting time.

SWEET POTATOES.

An intended increase of 16 per cent in the acreage of sweet potatoes is shown for the country at large. The intended plantings in most States range from 10 per cent to 20 per cent greater than last year. The intended plantings of 20 per cent or more are reported for Maryland, Georgia, Tennessee, Oklahoma, Illinois, and Florida.

PEANUTS.

An increase of 19 per cent in the acreage of peanuts compared to 1923 is shown. Such an increase would result in an acreage about 3 per cent larger than that of 1922, but about 14 per cent less than in 1921.

The South Atlantic group of States shows an increase of about 15 per cent, and the South Central group an increase of about 23 per cent. The intended acreage in the Virginia-Carolina territory is about the same as last year, a small decrease in Virginia being offset by a corresponding increase in North Carolina. Georgia and Alabama plan an increase of about one-third over last year's acreage, but the increase in Texas is only about 5 per cent.

INTENDED PLANTINGS COMPARED TO ACREAGE HARVESTED IN 1923.

Acreage intended to be planted compared to acreage harvested in 1923.

[1923 equals 100.]

Crop.	United States.	North Atlantic.	South Atlantic.	East North Central.	West North Central.	South Central.	Western.
	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Spring wheat.....	86	111	.....	85	84	.....	92
Corn.....	103	102	101	102	106	101	113
Oats.....	107	104	86	106	108	120	107
Barley.....	109	112	186	109	105	122	119
Potatoes, Irish.....	98	104	109	95	90	112	93
Potatoes, sweet.....	116	100	117	121	110	116	89
Flaxseed.....	154	.....	.....	.....	150	.....	239
Grain sorghum.....	94	.....	.....	.....	90	95	102
Tobacco.....	100	106	104	98	100	95
Peanuts.....	119	115	123
Rice.....	100	100	97	120
Tame hay.....	104	99	105	105	106	108	103

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THE AGRICULTURAL OUTLOOK FOR 1924.

SUMMARY.

The following statement of the agricultural outlook for 1924 based upon current information and upon reports from 43,000 farmers, representing every agricultural county in the country, stating their intentions regarding the planting of spring crops, has been prepared by the Bureau of Agricultural Economics of the United States Department of Agriculture to provide a basis upon which producers may make readjustments to meet economic changes.

The general agricultural outlook for 1924 indicates that farmers are undertaking a normal production program. It is apparent, however, that agricultural production this year will still be attended by the difficulties arising from high wages and other costs, loss of farm workers, and the general disparity between prices of farm and urban products.

Domestic demand for agricultural products is at a high level. Urban prosperity is reflected in a heavy current consumption of fibers and high quality foods, and this may be expected to continue into the summer.

Foreign markets, on the whole, seem likely to maintain about the present level of demand for our cotton, pork, wheat, and tobacco.

The situation this season with respect to labor, machinery, fertilizer, credit, and other cost items is not such as to favor any expansion in production.

The wheat situation shows some tendency toward improvement with the market continuing somewhat more favorable for producers of spring than winter wheat. Spring wheat growers report intentions to reduce their acreage 14 per cent below last spring's plantings. Should abandonment of winter wheat acreage be light, as at present indicated, the reduction in acreage harvested may not be proportional to the reduction in seedings as reported last fall.

Notwithstanding that there will apparently be fewer animals in the country to be fed next winter, corn growers report intentions to increase the acreage 3.2 per cent, and in the Corn Belt proper to increase it 3.5 per cent. This increase, if actually carried out and accompanied by yields as good as in recent years, would result in a large supply relative to the probable demand for corn.

The swine industry is going through a period of liquidation and discouragement. Record runs of hogs to market still continue. In the past such periods of heavy production and low prices have led to a reduction in breeding so drastic as to result later on in shortage and in reversal of the corn-hog balance. Indications are that hog producers have now passed the peak of production and may be moving into one of the recurrent periods of low production.

The dairy industry has expanded to the point where gross domestic production, in terms of whole milk, slightly exceeds gross domestic consumption. Although 18,000,000 pounds net of butter and 64,000,000 pounds of cheese were imported during 1923, stocks of condensed milk and other products, more than equivalent to these imports, were piled up within the country. Judging from the numbers of cows on farms, there will be a further increase in domestic production in 1924. Foreign surplus production is likewise steadily increasing. This competition, coupled with the already heavy production in this country and the possibility that consumer demand may not be indefinitely maintained at levels predicated upon great industrial prosperity, suggest the necessity for conservatism as to further expansion in dairy production.

Total receipts of cattle at public stockyards during 1924 are expected to about equal those of 1923, despite the probability of somewhat lighter runs of strictly range stock. In view of the expected decrease in pork production it seems probable that beef consumption will show some increase and that during 1924 cattle will meet a somewhat more favorable market than during 1923.

With indications of a reduced number of lambs on feed and lower shipments to market, the prospects favor continuation of a strong market for several months with larger market supplies in midsummer. The wool situation is distinctly favorable for producers and there is apparently opportunity at present for profitable increase in the number of sheep.

Poultry production has expanded rapidly in recent years. The record number of chickens now on farms indicates further expansion in 1924. Consumption has also increased at a rate that has maintained average prices to producers. Present comparatively low storage stocks place dressed poultry in a somewhat stronger position than eggs. It would appear that poultry production is now at a point where further profitable expansion may be dependent upon continuation of the present high level of demand.

The tobacco growers generally indicate an intention to plant about the same acreage as last year. The demand for export types of tobacco has encouraged growers to plan expansions of area of these types, while the unfavorable market has led growers of dark varieties to indicate reduced plantings for 1924. Burley stocks are still high and intentions toward increase in acreage should be considered in the light of this fact.

The intentions report indicates a tendency to reduce the acreage of potatoes somewhat below that needed with average yields to provide for average annual consumption. This tendency appears rather pronounced in the central late potato area of Michigan, Wisconsin, Minnesota, and the Dakotas.

A decided increase in peanut acreage in the Southern States is planned by growers, apparently to replace cotton. The stocks on hand and increased imports make it desirable that growers consider carefully the effect of increased acreage at this time.

Sweet potato growers plan an acreage which with average yields would mean a larger crop than the country has ever consumed in any one year. The proposed expansion is largely in the boll-weevil area of the Cotton Belt.

Intentions to plant feed crops (oats, barley, and hay) indicate increases over last year. These increases are generally in line, by regions, with increased numbers of livestock on farms.

An intention to increase flax by 54 per cent is indicated. Such increase is well in line with the consumptive capacity of this country, which at present consumes twice what it produces.

DOMESTIC DEMAND.

Fluctuations in urban prosperity and consequent buying power for agricultural products concern chiefly the fiber crops and the foods of higher quality.

One year ago it was possible to state that all the indications favored a season of heavy business, full employment, and high wages in city industry. Events during the year bore out that prediction.

This spring it can still be said that urban industry is, generally speaking, in a flourishing state. Less can be said, with assurance, of probable conditions next fall, which is the period of especial interest to farmers.

Some of the war-time shortages in housing, railway equipment, and other key industries have apparently been made good. If this is true, it reduces the certainty that such key industries will go ahead throughout this year on quite such a scale of activity as last spring seemed to promise and which last year bore out in fact.

Nevertheless, so far this year the evidence indicates a continuation of heavy production of basic materials such as metals and coal; a larger volume of distribution than a year ago, as measured by freight movement, sales from stores, etc.; a strong credit situation as measured by interest rates, bank reserves, etc.; strong security markets; a generally stable price level; employment fairly well maintained; wage earnings maintained at or near the high level of last fall. This is the general situation, though varying in certain industries and in certain sections of the country. The steel industry is very active, for example, while portions of the textile industry are not so active.

A factor on the demand side is the increase in the Nation's population. This increase adds some 1,400,000 persons annually to be fed and clothed. A further factor affecting the balance between demand and supply is the continued movement of population from farm to town, estimated to have been upward of one million during the past year.

The current consumptive movement of meat, eggs, dairy products, fruit, fresh vegetables, and foods of like class indicates a continued high level of demand for these products. This is natural since, with industrial wages still about 100 per cent above the pre-war level and retail food prices only 50 per cent above pre-war, great advantage rests with the consuming group. Prices of fibers are relatively higher than foods. The retail movement of textiles at current prices raises some points of uncertainty.

The general conclusion would seem to be that present urban prosperity is reflected in a high level of domestic demand for foodstuffs and fibers with good prospects for its continuance into the summer.

FOREIGN DEMAND.

Foreign demand absorbs a large part of the marketable surplus of our cotton, wheat, pork, and tobacco. In the case of cotton more than 50 per cent of the total crop is exported. Of the tobacco crop, one-third is exported. Measuring the market demand for wheat by the amount shipped out of the country where grown, the foreign demand in the year ending June 30, 1923, was 38 per cent of the total. Of the estimated total demand thus measured for the year ending June 30, 1924, 23 per cent had been exported to March 8, 1924. Of federally inspected slaughter in 1923, 13 per cent of pork was exported, while of the lard produced under Federal inspection 54 per cent was exported.

Of the cotton exports last year, as measured by mill consumption, 30 per cent went to the United Kingdom, 12 per cent to Germany, 12 per cent to France, 12 per cent to Japan, and 9 per cent to Italy. Of the pork products, about 40 per cent went to the United Kingdom and over 20 per cent to Germany. Of the wheat and flour probably 30 per cent went to the United Kingdom, either directly or via Canada, about 20 per cent to Italy, and about 25 per cent to China and Japan. Of the leaf tobacco exports, more than 50 per cent measured by declared value went to the United Kingdom.

General business conditions in the United Kingdom have shown distinct improvement in the past three months. Employment conditions are better than at any time in three years. Imports of raw materials and exports of manufactured goods indicate increased industrial activity. There is, however, still considerable unemployment, and sterling exchange in New York is lower than in October and November of 1923. Unless the generally favorable outlook is changed by unforeseen complications, the British market in 1924 should be distinctly better than in 1923. The outlook for greater activity in British mills makes it probable that that British market will absorb more cotton, and the demand for pork products and tobacco should continue strong. It is doubtful, however, if any improvement can be expected in the market for American wheat and flour.

The German situation is very uncertain. During the past year the German market for American agricultural products, particularly lard and cotton, has been unusually good. Paradoxically, the market for lard has been good be-

cause of economic chaos and business depression. American lard has been the cheapest fat obtainable, and it has been generally substituted for other cooking fats and for butter. The improved conditions beginning with the stabilization of the currency, in December, 1923, immediately brought butter and other fats on the German market in competition with refined lard. Reports also show that there are 2,750,000 more hogs in Germany, and it is safe to forecast increased slaughter in the remaining months of 1924.

The demand for cotton in Germany is increased by the fact that German mills have been supplying cotton goods to central Europe generally, and in Czechoslovakia, Austria, and Hungary economic conditions have shown improvement. Imports of cotton will probably continue to be heavy if economic conditions are such that the mills can continue to operate.

The German market for tobacco is not strong. German imports of American wheat from the 1923 crop have been materially reduced below the imports from the crop of 1922, although imports of American flour in the past six months have been somewhat greater than those in the same months of 1922-23. Wheat and flour imports from the United States depend both on internal conditions and on competition of other sources of supply, and can not be depended upon.

The situation in France does not appear as favorable as in the early months of 1923. Even under favorable conditions, France is not an important market for pork products, and buys wheat in large quantities only in years of domestic crop shortage. In case of an acute depression the purchases of cotton and tobacco could easily be curtailed, at least for several months.

Economic conditions in Italy have shown remarkable improvement within the past year. The value of the currency has been maintained and industrial activity has been resumed on a large scale. These facts in themselves would appear to be favorable for a better market in Italy for American products. On the other hand, it should be remembered that our exports to Italy are chiefly cotton and wheat. The marketing of the cotton crop is not likely to present great difficulties in any event, but in the case of wheat the competition of Canada and Russia is likely to overcome any advantage that improved economic conditions might otherwise give.

During the past year there has been an unusual demand for wheat and flour in the Orient, due partly to the poor wheat crop in Manchuria and northern China in 1923. The continuance of this trade in profitable volume beyond the summer months will depend upon crop conditions in the Far East in 1924. There are indications already of increased plantings of wheat. Japan will probably continue to import large quantities of American cotton, and there is no indication of change in the demand for tobacco.

Taking foreign markets as a whole, there is no evidence to justify prediction of very marked changes soon in the demand for American agricultural products. While conditions appear to be better in some of the more important markets, there are adverse conditions in other markets, the influence of which it is impossible to measure.

FARM CREDITS.

In order to tide over the present period of low prices, farmers will find it advantageous to refund wherever possible both real estate and short time loans for longer terms and at lower rates of interest. In the attempt to reduce operating costs the price and term of credit should receive increased attention and full advantage should be taken of the improved credit conditions which now generally obtain and the Federal credit facilities that are now available.

The use of additional credit for production purposes should not be encouraged, except where its use offers reasonable promise of increased net returns or where essential to bring about diversification in the direction of production for local consumption as food and feed.

LABOR.

In all parts of the country wages of farm labor were higher in 1923 than in either 1921 or 1922 and at the present are, on the average, slightly higher than a year ago. The average wages per month without board in 1923 was \$47, which compares with \$42 in 1922, \$43 in 1921 and \$30 for the pre-war year 1913. There is no immediate indication of unemployment or of a sufficient reduction

of wages in other industries materially to affect wages of farm labor during the present season.

Many farmers have decided that it will be better to rearrange the farming program so as to reduce hired help to a minimum, and the demand for labor is considerably less than last year. For the entire country, the demand was reported as 88.7 per cent of normal March 1, as compared with 94.6 per cent on April 1, 1923.

SITUATION IN MAJOR LINES OF PRODUCTION.

WHEAT.

The outlook for a market for our surplus wheat.—The unusually large world supply of wheat for the year is being absorbed at a rapid rate. Notwithstanding that the European harvest outside of Russia is about 240,000,000 bushels greater than last year, shipments to Europe thus far have been nearly equal to shipments for the same period last year. Owing to short crops, the Far East is taking larger quantities of wheat. France has lowered her import duty on wheat, which should be some encouragement to further importation. Low prices are encouraging generally increased consumption. Farm consumption for feed in the United States has been larger than usual and the stocks remaining in the farmers' hands are lower than last year. On the other hand, the visible supply of wheat in the United States, in Canada, and afloat is larger than at the same time last year, and the new crops just harvested in Australia and Argentina are larger than last year. It is probable, therefore, that unless the movement for the remainder of the year is accelerated, stocks of wheat available in exporting countries other than the United States and afloat on July 1, the beginning of a new crop year in the United States, will be greater than last year and greater than usual. But the carry-over at the end of the year probably will not be as great as it seemed a few months ago that it might be, and the outlook for a market for our remaining surplus of wheat for this year seems slightly better than it was a few months ago.

The outlook for 1924-25.—Low prices seem to be generally discouraging further expansion in wheat areas. The area of winter wheat seeded for the crop of 1924 reported to date outside of Russia amounts to 109,000,000 acres, compared with 115,000,000 acres last year in the same territory, which was nearly one-half of the total area reported last year outside of Russia. The reduction in area is mostly in the United States. Eight European countries report a reduction of 1 per cent. Winter seedings of wheat and rye in Russia are apparently slightly increased, the latest estimate being about 1.6 per cent greater than last year, but this is not sufficient to offset the reduction in other countries. Canada, the most important surplus-producing spring wheat country, is beginning the season with the handicap of some reduction in the area prepared for spring seeding. It is reported that the area plowed last fall was only 43 per cent, as compared with 48 per cent in 1922 and 67 per cent in 1921. Areas in Australia and Argentina may be expanded, but, excepting for the encouragement of the high yields per acre of the new crop just harvested, conditions in these countries are not such as to encourage immediately an extensive expansion in area. In Argentina the prices now being received for corn and wheat give more encouragement to the expansion of corn area than of wheat area. The wheat area in Australia had increased to 12,500,000 acres in 1915 but was reduced to nearly one-half of this area in 1919 and recovered to the extent of about 10,000,000 last year.

The production of wheat for the year, of course, depends quite as much upon yield as upon area, and it is too early in the season to make any prediction of yields. It may be observed, however, that last year in practically all important producing countries except the United States yields were equal to the average or better than the average. It does not very often happen that all countries have good harvests at the same time. The tendency to consume more wheat than has developed in the past year may be continued into next year. All things considered, the outlook for the market for next year's crop is more favorable than for the past season.

HARD SPRING WHEAT.

In the past year the tariff of 30 cents per bushel on wheat has been effective in protecting the market for Hard Red Spring wheat, and the recent increase

to 42 cents should make it possible to maintain higher prices for the Hard Red Spring wheat in relation to the prices of other wheats, so long as the production of this wheat does not exceed the domestic demand. Expansion in acreage of Hard Red Spring wheat with yield above the average might result in a surplus for export and might in this manner reduce or nullify the effectiveness of the tariff.

DURUM WHEAT.

Average higher yields of Durum wheat favor its production in some parts of the Hard Spring wheat region. The market for Durum wheat is on an export basis, and the price is determined largely by the market for this wheat in the Mediterranean Basin. There has been some increase in the competition with Durum wheat by hard wheat from North Africa and Canada in the Hard wheat markets of the Mediterranean Basin and increasing competition is to be expected from Russia. The domestic demand for Durum wheat seems to be increasing and will now take from 20,000,000 to 25,000,000 bushels of this wheat. During the war period Amber Durum wheat sold at prices nearly as high as the prices for Hard Red Spring wheat, but in the last two years has sold at prices considerably below. However, with average yields of Durum wheat 2 bushels per acre higher than the yields of Hard Red Spring wheat, it may be profitable in certain sections to grow the Durum wheat, even though the price may be as much as 20 cents below the price of No. 1 Hard Red Spring wheat.

Intentions to plant spring wheat including Durum.—The intention to plant 14 per cent less acreage of all spring wheat in 1924 than in 1923, if carried out, should keep production well within domestic needs for Hard Red Spring wheat.

The selection of high-yielding rust-resistant varieties of wheat which have good milling quality and, therefore, command the best market prices, will influence in no small measure the profits realized in wheat production. Cleaning of wheat before sowing is equally important. Weeds in growing wheat reduce yields and increase costs of harvesting and threshing. The presence of dockage in wheat not only reduces its quality and grade, but adds materially to the cost of transporting it to market.

Abandonment of the winter-wheat area.—The significance of the reduction in the fall seedings of winter wheat in the United States will depend upon the amount of abandonment and the yields per acre realized from the crop remaining to be harvested. The condition of the crop December 1 was better than last year and better than the average. If the average percentage, 9.8, is abandoned and yield per acre equals the average of the last 10 years, production will be but slightly less than last year. Should more or less than the usual percentage of area be plowed up the production would be reduced or increased accordingly. It is too early to judge with confidence of the winter losses of fall planted wheat. In the plains region including Nebraska, Kansas, Oklahoma, Colorado, Texas, and New Mexico the damage promises to be light. East of the Mississippi it may be heavier than usual. Much loss has already resulted from the unusually severe freezes in the Southeastern States.

RYE.

Winter seedings of rye as reported to date by 10 countries for the crop of 1924 amount to nearly 24,584,000 acres, compared with 24,439,000 acres for the 1923 crop. The 10 countries reported constitute about 53 per cent of the total area seeded last year outside of Russia. In Russia rye production has recovered more than the wheat production. Before the war Russia exported only on an average about 29,000,000 bushels, and has already nearly reached the pre-war figure in the exports from the crop of 1923. The world production of rye outside of Russia last year as reported amounted to 932,000,000 bushels, compared with 840,000,000 bushels in the same countries in 1922, and was nearly equal to the 1909-13 average. During the war period the rye acreage in the United States expanded to meet the demands of Europe with Russia, Germany, and Poland eliminated from the western European markets. Following the war Germany took large quantities of rye from the United States, but last year had a good crop and home production together with imports from Russia are supplying the German demand at relatively low prices without taking much from the United States.

That the present unsatisfactory situation for rye is influencing spring planting programs is shown by the fact that farmers' intentions to harvest this crop for grain now show a 5 per cent reduction from the plantings of last fall, which were already 15 per cent below the 1923 harvested acreage.

OATS.

The amount of oats on farms March 1, 1924, was about 24,000,000 bushels larger than one year ago, though the percentage of the crop held was slightly lower. The consumption for the crop year to date has been materially larger than last year. If the increased consumption continues during the remainder of the year, it is probable that the carry-over will be small. From reports available it appears that a large percentage of the winter oats in the Southeastern States have been winterkilled, which may tend to keep the market demand firm.

The trend of acreage and production of oats for the country as a whole has been steadily upward for the past 15 years, particularly in western and southern portions of the North Central States. Both the 1922 and 1923 acreages, however, were low compared with the acreage seemingly required for the increased numbers of livestock on farms. Farmers on March 1 expressed an intention to increase acreage 7 per cent over 1923. In the North Atlantic States and North Central States east of the Mississippi River acreage in 1923 was slightly low. With the increased production of dairy products more oats are needed as feed for dairy cows. This factor may tend to offset the decreased quantity needed for city consumption, and a slight increase in acreage over 1923 is probably required. Expressed intentions for these groups of States were respectively 4 per cent and 6 per cent above 1923. In the North Central States west of the Mississippi River and in the South Central States the acreage of oats appears to have fallen considerably behind the increase in livestock units, and in these regions increased quantities above 1923 appear to be needed. Intentions to plant are given as 8 per cent and 20 per cent above 1923.

In the Southeastern States winterkilling has reduced the fall seeded acreage, and farmers' intentions as of February 15 were for a decrease of 14 per cent. Further winterkilling has been reported since that time and it is doubted that spring seedings will be large enough to replace this late winterkilling.

World production of oats in 1923 was more than any post-war year and was about 250,000,000 bushels more than the pre-war average. In the war period there was a strong foreign demand for oats. Recovery of European production tends to reduce the foreign demand for oats from the United States.

BARLEY.

The amount of barley held on farms on March 1, was 44,800,000 bushels, or about 2,400,000 bushels more than last year, yet the stocks represented a smaller percentage of the crop than for the previous year. The larger stocks do not indicate a smaller consumption because the 1923 crop was larger than any since the war.

World production of barley in 1923 was more than in any post-war year, and, excluding Russia, more than the pre-war average. The United States is exporting about 20,000,000 bushels of barley each year, and the price of barley is therefore affected by the world price. The recovery in European production is increasing the foreign competition.

Notwithstanding that production has been maintained, market receipts during the past five years have been less than one-half as large as formerly, and the price level has advanced steadily since 1922. This indicates a materially increased use for farm feed, and reflects the increase in dairy and hog production, particularly in the northern and western fringe of the corn belt. In this region there appears to be a further tendency to increase the numbers of livestock, which should be met by an accompanying increase in barley and other feed crops.

Farmers' intentions at present are to plant 9 per cent more barley than in 1923 for the entire United States and 5 per cent in the States on the western and northern fringe of the corn belt. Intentions in the Mountain States are given at 19 per cent above 1923. In California intentions for an increase of 10 per cent are shown.

FLAXSEED.

The United States produced in 1923 approximately 17,500,000 bushels of flaxseed, which is only about half of the quantity of flaxseed that was available

from production and imports for consumption in this country last year. The average production in the United States in the past five years was around 10,773,000 bushels, whereas the annual average requirements for that period were approximately 30,000,000 bushels.

Approximately 4,165,000 acres, with the average yield of the past five years 7.2 bushels per acre, would be required to produce the total amount that has been available annually from domestic production and imports. The area harvested last year was 2,061,000 acres, and farmers have expressed an intention to increase plantings by 54 per cent. If this intention to increase acreage is carried out, production with an average yield will not be equal to the average annual post-war consumption.

As long as production remains no greater than domestic requirements, the price of flaxseed will remain upon an import basis, with prices determined by the world market and the duty imposed upon imports. Under the present tariff, which levies a duty of 40 cents per bushel, the drawback provisions allows for a refund upon the export of oil cake and reduces the effective duty to about 30 cents a bushel.

The latest estimates place the world production of flaxseed for 1923 at 127,000,000 bushels, as compared with 94,000,000 bushels for 1922 and a pre-war average of all 111,000,000 bushels. The large increase in 1923 compared with 1922 is due primarily to the large crop in Argentina, which is the most important source of flaxseed importations into the United States. In the past year Argentine flaxseed has been imported and shipped to Minneapolis, paying rail and lake rates. Under these conditions the farmers in the Northwest compete with Argentine producers at Minneapolis on the basis of prices in Argentina plus import duty and transportation rates to Minneapolis. Should the flaxseed crop of the Northwest plus the imports from Canada exceed the requirements of western crushers, the surplus flaxseed of this region would be shipped to the Atlantic coast to compete more directly with flaxseed from the Argentine plus only ocean freight rates to Atlantic coast ports.

In deciding whether to put in flaxseed, therefore, farmers should consider carefully not only the relative cost of production and the net return from flax and alternative crops based upon the experience of the past year, but also consider the possibility of a lower margin of profit on flaxseed in the event the larger foreign supply, together with increased plantings in this country, should result in a lower price for flaxseed next year.

RICE.

Since 1914 the United States has produced more rice than she has consumed and the rice market has been upon an export basis. We are competing with India, Indo-China, and Siam in the oriental and European markets.

In 1921 the price of rice fell to the pre-war level and has remained relatively low. The reduction in the rice crop of India from 74,000,000,000 pounds last year to 63,000,000,000 pounds this year may improve the market for our rice.

However, the tendency to increase production of rice through expanding areas in several countries indicates that foreign competition is increasing. The area of rice harvested in India, Chosen, Indo-China, the Philippine Islands, and in Java and Madura has increased from 87,100,000 acres in 1909-1913 to 102,700,000 acres in 1923, an increase of 18 per cent. The short grain rice of California finds a market in Japan in competition with rice from Chosen (Korea).

Farmers express an intention to plant in the United States as a whole the same acreage as last year. The intentions in Arkansas and California to increase is offset by decreases in the Gulf States.

COTTON.

Because of pending national legislation specifically prohibiting intentions to plant reports on cotton, no report has been compiled. The cotton situation is stronger than it was in 1923. The probable supply in America on March 1 was about 4,450,000 bales, as compared with 5,340,000 bales in 1923, 7,436,000 bales in 1922, and 10,754,000 bales in 1921. The reduced supply of American cotton and the resulting favorable price situation has been created by poor yields due to abnormal weather conditions and boll-weevil damage rather than to increased demand or to reduced acreage. The acreage last year was the greatest on record.

The world supply of all commercial cotton for the year 1921-22 amounted to about 29,000,000 bales, for the following year it was reduced to a little less than 27,000,000 bales, and for the year 1923-24 the supply was about 24,500,000. The carry-over was reduced from 14,352,000 bales on July 31, 1921, to 6,341,000 on July 31, 1923. A strong effort is being made to increase production in foreign countries. These efforts, coupled with the high prices, have resulted in some increases in supply, but do not promise to compete seriously with the better types of American upland in the immediate future. The world production of commercial cotton outside of the United States was 6,730,000 bales in 1921-22, 7,885,000 in 1922-23, and 7,994,000 in 1923-24.

The outlook for long-staple cotton is not as promising as for cotton as a whole. According to commercial estimates, the percentage of long staple cotton produced since the war, as compared with pre-war conditions is greater than with the medium and short varieties. The pre-war production of long-staple varieties was 2,167,000 bales of the medium lengths, the ordinary American Upland varieties was 16,220,000, and the short cotton, produced mainly in India and China, was 6,750,000, as compared with a post-war average production of 2,030,000 for the staples, 12,575,000 for American types, and 5,600,000 for the short varieties.

In the light of general business conditions the cotton market gives promise of being able to absorb a moderate increase in supply at a comparatively good price. It must be remembered that a large crop if secured by increased acreage and expensive production methods would tend to result in a decline in price which might more than offset any resulting reductions in cost due to higher yields.

TOBACCO.

Viewing the tobacco crop as a whole, there is an expressed intention to plant about the same acreage in 1924 as was planted in 1923. The trends of particular types differ, however, the controlling influences being the rapid increase in cigarette manufacture and consumption, the improved foreign demand for certain types, and the poor demand for others.

The trend of cigar and cigarette production has had an evident effect upon tobacco prices and prospects. Cigarette manufacture has increased rapidly in recent years. The acreage of Burley and the flue-cured type has accordingly made consistent increases and so far the prices have been fairly well maintained. The combined acreage of the principal cigarette types—Burley and flue-cured—was 1,169,000 acres in 1923. Notwithstanding this large acreage these types outrank all except the better cigar types and Maryland Export in price per pound to the grower and there is an apparent intention further to increase acreage.

The most significant change in acreage for 1924 is indicated in the bright or flue-cured section of Georgia, where cotton was particularly hard hit in 1923. The production of this type has extended into about 30 new counties, and experimental patches are reported from many other sections of the State. Increased plantings are also being made in the old tobacco counties.

A hazard exists in any such violent increase in tobacco production as that contemplated in Georgia, due to the inexperience of the growers planting their first crop of tobacco, the expense of providing curing barns and other necessary equipment, and the uncertainty that present prices will be maintained.

Acreage and production of cigar tobacco have been comparatively low during the past three years, and while the average price for all cigar types is the highest since the war, the crop has moved slowly in New England and Wisconsin. Farmers have expressed an intention to increase acreage in Pennsylvania and New England and to decrease in Wisconsin. In Florida there is an apparent intention to shift from cigar to cigarette types.

A greatly improved foreign market for American tobacco has existed during the past six or eight months, with the result that prices paid for Maryland and Eastern Ohio Export tobacco are the highest since 1919. The best tobacco of this type is used in cigarette manufacture, and a considerable increase in the Maryland acreage is intended.

There is an apparent intention slightly to increase Burley acreage in 1924. Burley prices are considerably less than they were in 1922, but are still higher than for any other type grown in Kentucky and Tennessee. The demand for this type in the manufacture of cigarettes and smoking mixtures has made it one of the leaders, and Burley territory is therefore steadily encroaching upon that of the Green River and dark-fired types. It has already taken the place of much of the territory in Ohio formerly devoted to the export type and the

intended increases in tobacco acreage reported in Indiana and Missouri are apparently Burley. The acreage of One-Sucker in Kentucky appears likely to increase, where there is an apparent intention to decrease Green River.

As already indicated, the dark-fired types, particularly Paducah and Clarks-ville and Hopkinsville, will apparently show rather heavy decreases, due to unfavorable prices. Both of these types are bringing less per pound than in any year since the World War except 1920, resulting in widespread dissatisfaction.

Exports of unmanufactured tobacco since 1910 have ranged from about 30 to more than 50 per cent of the annual production. Since 1919 exports have steadily declined in volume until the fiscal year beginning July 1, 1923. During the seven months commencing with that date they were heavier by 12 per cent, or 36,000,000 pounds, than in the corresponding period one year previous. If exports continue at the present rate, the total for this fiscal year will be the highest but one on record. In view of the favorable demand situation in England and the outlook for exportation of bright tobacco should continue favorable. Demand from Italy for dark-fired tobacco should continue favorable but will probably be more than offset by the less favorable demand situation in Belgium, Germany, and the Netherlands. Exports of Maryland and Eastern Ohio Export tobacco are mainly to France, Belgium, and the Netherlands, where the demand outlook is less favorable than elsewhere in Europe.

The stocks of leaf tobacco held by manufacturers and dealers on January 1, as shown by the Department of Commerce report of January 31, 1924, were approximately 11 per cent in excess of those held January 1, 1923. Stocks of cigar types were about $3\frac{1}{2}$ per cent higher; Burley, $18\frac{1}{2}$ per cent higher; dark-fired Henderson, Green River, and One-Sucker, 11 per cent higher; Virginia sun-cured, 4 per cent higher; Virginia, dark, 41 per cent higher; Virginia, North Carolina, South Carolina, and Georgia, bright, 14 per cent higher; and Maryland and Eastern Ohio Export, 39 per cent lower than 1923.

PEANUTS.

The stocks of peanuts on hand on March 1 in the southern producing sections were light in the areas growing the Spanish and Runner types, and rather heavy in the territory devoted to Virginia type nuts.

Reports from thousands of farmers throughout the South indicate they intended on February 15 to plant 19 per cent more acreage to peanuts than in 1923. The increase is chiefly in the southern tier of States where continued low yields from cotton as a result of the inroads of the boll weevil have caused farmers to turn to other crops.

The reported intention showed for Georgia an increased acreage of 40 per cent, Alabama 35 per cent, South Carolina 20 per cent, Florida 9 per cent, and Texas 5 per cent. These States grow chiefly the small-podded Spanish type peanut, although Alabama and Florida raise large quantities of the Runner type. With average yields or better such an expansion in acreage as is indicated, however, can be expected to be accompanied by lower prices to the farmer, but even so the return may be more satisfactory than could be secured from any alternative crop.

Farmers in Virginia report that they expect to plant 96 per cent as much land to peanuts as last year, and North Carolina growers report intentions for a 5 per cent increase in peanut acreage. Tennessee, which also grows large-podded nuts, but which planted only 14,000 acres in 1923, may greatly increase its peanut acreage in 1924.

Prices of Virginia type peanuts have been good the past season, but the present large stocks on hand, and the heavy increase in imports in 1923 of Virginia type nuts, render it desirable that producers of this type peanut weigh very carefully the possible effect upon prices of any further increase in acreage over the intentions as indicated above.

HAY.

The country had a large hay crop in 1923. It was, however, about 5,500,000 tons less than the 1922 crop, the latter being the largest ever produced. The reduction in the 1923 crop was in tame hay and was principally in the timothy and clover producing areas.

The movement of timothy and clover hay to market was about the usual volume and resulted in small stocks on hand March 1. The March 1st estimate of stocks of all kinds of hay on farms was 33,400,000 tons, which was 3,200,000 tons less than the previous year.

The market needs for hay in the North Atlantic group of States and in the eastern portion of the North Central group has been largely met by imports of Canadian hay. During 1921 when the Canadian crop was short and 1922 when the crop in the North Atlantic States was large, imports from Canada were very small. In 1923, however, notwithstanding the increased duty on hay, the imports from Canada were large, amounting to nearly 135,000 tons. Large importations of Canadian hay have continued during 1924 to date and have been a factor in the recent fall in prices of timothy and clover hay in the United States. Because of the shortage of marketable surplus of timothy and clover hay the price level throughout the 1923-24 crop year to date has been about \$4 to \$5 above last year's price level.

In North Central States acreage in 1923 appears to have been ample with average yields to provide for the increases in animals on farms which are occurring in that section. Intentions to harvest show a contemplated increase of 5 per cent.

Favorable weather resulted in rather better yields than usual of alfalfa hay in the Central and Southwestern States, but continued rains damaged large quantities of this hay so that the amount of high-grade hay available for market has been rather limited during the present crop year to date. The scarcity of the better grades caused firm prices and held the price level about \$2 to \$3 higher than at the corresponding time last year to March 1. Efforts to market the remaining surplus before the beginning of the new crop have lowered prices to last year's level, indicating that the present production about equals the present market demand. In view, however, of the tendency to increase livestock in that section a slight increase in acreage over 1923 may be justified for farm feeding. Expressed intentions show an increase of 8 per cent.

In the Mountain States the acreage is slightly low, but the distance from markets and the fact that there is now a marketable surplus in this territory probably explains the growing feeling that to increase acreage much faster than animal holdings is doubtful policy. That farmers in this area have this in mind is shown by the modest increase of 3 per cent intended for that area.

The factors affecting the production and marketing of alfalfa hay in the Central Southwestern and Mountain States apply also to prairie hay.

In the Pacific States the acreage is somewhat low and the surplus from the 1923 crop will probably be nearly exhausted before a new crop arrives, because of the increased demand occasioned by the drought the past few months. Considering these conditions a slight increase in acreage may be good policy. Intentions show less than 2 per cent increase.

Considering the United States as a whole, in view of the continued decrease in the number of horses and other animals not on farms it would seem that with normal yields the low war-time hay acreage has been made up. Such, at least, is the situation from the market angle, although other factors play a part in determining hay acreage on many farms.

From farmers' intentions it appears that the hay acreage of the United States will be further increased by 4 per cent. Only a few States show decreases, and these are small.

SUGAR BEETS.

The international sugar situation does not at this time appear to differ to any great extent from that of the past year. The best data now available indicate a possible small increase in production. Cuban sugar holds a dominating position in the United States supply. Present indications are that the Cuban crop will be only slightly greater than last year. There is, however, a probability of decreased demand for Cuban sugar in Europe due to competition from Poland and Czechoslovakia.

POTATOES.

The 1923 potato crop was 8 per cent smaller than the 1922 crop. Shipments reported to March 1, 1924, have been less than to March 1 a year ago by 7,000 cars, or 4 per cent.

The northeast district (New England, New York, and Pennsylvania), from a crop 13 per cent larger than in 1922, has shipped 20 per cent more up to March 1. From the Lake States (Michigan, Wisconsin, Minnesota, North Dakota, South Dakota), with a 20 per cent smaller crop, shipments have been 10 per cent greater. From the Mountain States (Colorado, Wyoming, Idaho, Montana, and Utah), with a 30 per cent smaller crop, shipments have

been practically 1 per cent more than last year. In the Pacific States (Washington, Oregon, California), with a crop 20 per cent less than in 1922, shipments have been about 2 per cent more. The supplies available on March 1 for shipment do not appear to be excessive in any district and are apparently low in the Lake area.

The acreage in the United States in 1923 was 3,800,000, or 300,000 below the trend of acreage, and also below the trend of per capita acreage. Per capita production has averaged 3.70 bushels. Allowing for years when the entire crop was not utilized in regular manner, about 3.50 bushels per capita would seem to be the quantity needed to maintain a stable market. For a population of 112,000,000 in 1924, a crop of 392,000,000 bushels will give this quantity per capita. With the average yield of 97.2 bushels per acre, an acreage of 4,033,000 is needed. This is 3 per cent greater than in 1923. This, of course, is a generalization and takes no account of regional advantages nor handicaps.

The intentions report shows a decrease of 2 per cent if present intentions are carried out.

By geographical districts, potato acreage in 1923 was somewhat small in the Eastern States outside of Maine, and materially reduced in the Lake States. The intentions report shows a 4 per cent increase in the former and a 12 per cent decrease in the latter. The intended acreage in the Lake States is 27 per cent less than the acreage of 1922. With average yields, it is doubtful if the intended plantings would supply the market needs of that territory during the coming year.

There seems to be a downward trend in acreage and production in the Pacific States which tends to improve the market for potatoes from the Mountain States. There has been also a steady decrease in potato production in the central or deficit producing States. In the Mountain States the intentions report shows an 11 per cent reduction. The acreage there in 1923, while greatly decreased from 1921 and 1922, assumed practically a normal position with respect to acreage prior to 1921. Distance from market in this region has been a big factor in the relatively unsatisfactory potato returns in this region, and the increase in population, with some decrease in production in neighboring States, will improve the situation.

Commercial acreage in the South Atlantic States has been reported to be 186,000 acres, or 11 per cent higher than in 1923. Early varieties in the northern sections for market may, therefore, find increased competition.

SWEET POTATOES.

Reports to the department indicate an intention to plant a larger acreage to sweet potatoes than has ever before been planted. The acreage of this crop exceeded a million acres for the first time in 1921 and rose to 1,117,000 acres in 1922. Following the disastrous losses to growers resulting from the overproduction of 1922, acreage fell to 993,000 acres in 1923.

The price of sweet potatoes received by farmers sharply declined from the high average reached for the crop of 1919, which was \$1.58 per bushel, to 95 cents for the crop of 1922.

The higher price received so far for the 1923 crop seems to have encouraged farmers to plant this year a larger sweet-potato acreage than ever before, about 16 per cent more than in 1923 and about 3 per cent more than the record acreage of 1922.

If present intentions are carried out and an average yield is secured, the total production for the United States would be greater than in any previous year.

CORN.

The fall of 1923 found corn prices soaring, and the number of hogs being marketed continually pushing ahead to new records. The demand for corn to feed hogs during 1923 was the greatest yet recorded; the high prices for corn in the early fall and the low carry-over of corn were the result.

The outlook for 1924 is quite different. Though hog marketings still continue heavy, hog production has begun to decline, and the shortage of corn which characterized the fall of 1923 would not seem likely to be repeated, given normal yields in 1924.

Farm stock on March 1, just past, 1,153,000,000 bushels, are only about the same proportion of the crop as were stocks of last year, and are much smaller

than those of 1921 or 1922. In addition, there is a rather high proportion of soft corn in the principal commercial areas. The demand for corn to fatten steers during the summer and fall of 1924 will probably be about the same as last year, and possibly somewhat greater. However, the reduced breeding herds of swine, and the expected fewer number of spring pigs to be carried over the summer, indicate a net reduction in the demand for corn in the summer of 1924, as compared with the summer of 1923.

The large corn crops of the past five years have been due to high yields per acre rather than to large acreages, the acreage for the country as a whole being somewhat below the usual acreage from 1910 to 1914. From 1919 to 1923 the corn crop averaged 38 bushels in the East North Central States and 33 bushels in the West North Central, as compared with averages of 34.6 and 26.7 bushels, respectively, for the period 1912 to 1918. In judging what the corn acreage to be planted this year should be, it may be well to assume that the most probable yield will be somewhat above the pre-war average, though not quite so high as the yields of the past five years.

The area along the western fringe of the Corn Belt, from Oklahoma and Kansas north, has shown steady increases in corn acreage ever since 1919. Farmers in this region, particularly in the northern sections, can not always be sure of making a crop of marketable corn; in addition, with present freight rates, this region is too far from consuming centers to produce corn for the general markets. It does seem, however, that in so far as corn can be profitably utilized as a feed for stock, or can supply a local demand, it should be more largely grown in this region, particularly as it does not seriously conflict with wheat for labor.

Expressed intentions show a contemplated increase of 5 per cent in these States. Nebraska, Kansas, and the Dakotas, show for January 1, 1924, nearly 3 per cent increase in the number of milk cows and over 1 per cent increase in the number of other cattle, as compared with January 1, 1923. The Dakotas also show an increase of 4 per cent in the number of swine, though Nebraska and Kansas share in the general decrease in swine shown by the Corn Belt. The Mountain and Pacific States also show material increases in dairy cows and swine partly offset, except in Arizona, Idaho, and Washington by decreases in beef cattle. These facts would indicate that the upward trend in corn acreage in this section may be expected to continue. Acreage intentions there are given at 13 per cent above 1923. This increase, however, being almost entirely for corn to feed to stock or for other local consumption, will not materially affect the market.

In other regions no striking changes seem indicated. North and East of the Corn Belt corn acreage has been practically constant since the war, while there has been a decided tendency to the reduction of corn acreage in the South. Corn acreage in the Cotton States in 1923 was about 6 per cent less than in 1922. A 1 per cent increase over the 1923 acreage was contemplated for 1924 at the time of the intentions report.

The livestock outlook gives ground for supposing that the demand for the 1924 corn crop will not be as great as for the 1923 crop. The indicated reduction of about 10 per cent in the spring crop of pigs will reduce the number of hogs to be fattened next winter to fewer than those fattened either last winter or the winter before. If farmers should reduce their breeding herds of swine still further, there will be even less demand for corn to carry breeding herds through next winter, and for fattening out fall pigs in the summer of 1925. Presumably, the demand from the South will hardly be great enough to offset the decreased demands for feeding hogs next winter. However, the yields of the last five years were certainly unusual. A reduction of only 2 or 3 bushels in yield may decrease the crop to such an extent as to balance a considerable increase in acreage. For the States of Ohio, Indiana, Illinois, Iowa, Missouri, South Dakota, Nebraska, and Kansas, farmers show intentions to increase their corn acreage by 3.5 per cent. This increase in corn acreage over 1923 in this region, if coupled with yields as good as recent ones, would result in a large supply relative to the probable demand for corn.

HOGS.

Present conditions indicate that the "hog cycle" passed the peak of production during 1923. The unprecedented run of hogs to market during the fall and winter of 1923, and the record marketings of the past two months, were due largely to the large crop of pigs in the fall of 1922 and the spring of 1923. As reported in the pig survey of last December, the number of sows actually

farrowing in the Corn Belt last fall was 6 per cent less than in the fall of 1922, and for the country as a whole, 9 per cent less. Further, the farmers' reports of sows bred or to be bred for spring farrowing in 1924 show that in the Corn Belt 94.6 per cent as many sows as farrowed the previous spring have been bred, while in the entire country but 98.8 per cent as many have been bred as farrowed last spring.

However, a considerable proportion of sows bred are slaughtered before farrowing. For the entire country the number of sows bred to farrow in the spring of 1923 was 13.1 per cent greater than the number that farrowed in the spring of 1922. Actual farrowings, however, were only 3.9 per cent greater than the year previous. For the Corn Belt the number bred to farrow in the spring of 1923 was 15.6 per cent greater than the number that farrowed in the spring of 1922, while actual farrowings were only 8.2 per cent greater.

This would seem to indicate that this spring (1924) only about 85 to 90 per cent as many sows will farrow in the Corn Belt as farrowed there last spring, while, for the rest of the country, the number of sows farrowing will be around 90 per cent of last spring. This indicates that when the winter run of 1923-24 is completed, the supply coming to market will begin to be lower than last year.

Estimates indicate that the Corn Belt 1923 spring crop of pigs was about 2,500,000 larger than in 1922; while the winter slaughter of hogs to March 1 was over 3,000,000 larger than during the same period last year; but since the slaughter of 1923-24 included an unusual proportion of sows, it is to be expected that the marketings of hogs from March to May, inclusive, will continue high, though relatively not as high as those of the preceding months.

The decreases in the fall crop of 1923, and the prospective decreased spring crop of 1924, indicated by the pig surveys, are borne out by the character of the hogs slaughtered since July 1. From July to the last of January, 3,400,000 more sows were slaughtered in commercial slaughter than during the same period a year earlier. This was an increase of 22.5 per cent in the number of sows. Slaughtering of barrows and boars increased by 18.4 per cent in the same period. Had the number of sows slaughtered increased only as much as the number of males, 630,000 fewer sows would have been slaughtered during that period. This indicates that breeding herds have been reduced by around 600,000 sows between July 1, 1923, and February 1, 1924, and that the spring crop of pigs will be at least 3,000,000, or 7.5 per cent, less than the crop of last spring.

Smaller market receipts of hogs during the second half of 1924 may be partially balanced by a decrease in the export demand. During 1923 the foreign market took an amount equal to 13 per cent of the pork and 54 per cent of the lard produced under Federal inspection. While lower than the war years, the exports of pork were the largest since 1919, while the exports of lard were the largest ever recorded. However, during the five years 1909 to 1913, inclusive, exports amounted to 10 per cent of the pork and 55 per cent of the lard produced under Federal inspection, so the 1923 exports were not abnormally high, especially in view of the prevailing low prices. Whether our foreign customers will be able to take as large a share of the 1924 production is problematical. However, it is evident that there would have to be a very marked decrease in the export demand to offset the probable decrease in hog slaughter during the second half of 1924 and in 1925. In view of the continued strong demand from Europe in the last year, such shrinkage of export demand seems unlikely.

In the past, a period of low hog prices has generally been followed by too drastic a reduction in breeding herds, and a period of high prices by too great an expansion in hog production, with accompanying surpluses of corn in the first case and shortages in the second. To maintain a fairly stable relation between corn and hog production, the farm management program should aim to keep from getting the two enterprises too far out of balance. It seems probable that by the fall of 1924 breeding herds of swine will have been reduced enough to bring hog production thereafter up to a profitable level.

BEEF CATTLE.

The number of cattle other than milk cows on farms in 1920 was 43,398,000. By January, 1924, this number had been reduced 1,272,000. In 1920 the number of milk cows was 23,722,000. By January, 1924, this number had been increased by 953,000. All dairy cattle eventually produce beef and the dairy industry furnishes about 75 per cent of the veal.

Slaughter of cattle and calves in 1923 was about 5 per cent more than in 1922, but only 1.4 greater than the 5-year average. The proportion of females slaughtered in November, 1923, was 61 per cent, compared with 52 per cent for the same period in 1922. Stocker and feeder shipments back to the country in 1923 decreased 6.4 per cent.

It is estimated that beef consumption in 1923 increased only about 3 per cent over 1922, or 1.1 pounds per capita. This compared with an increase of 15.4 pounds per capita or nearly 22 per cent in consumption of pork excluding lard. Even lamb and mutton consumption increased 5.3 per cent.

In a word, during 1923 the beef cattleman was able to move into consuming channels a slightly increased number of cattle at practically steady prices. He succeeded in holding the modest gains made during 1922 but was unable to materially improve his market position.

A survey covering the more important feeding areas indicated that on January 1, 1924, there were just about as many cattle on feed in the Corn Belt as a year earlier, whereas in some of the Western districts, particularly those which normally supply Pacific coast markets, there were decreases amounting to as much as 40 per cent. Average weights, however, were somewhat lighter.

Present indications would seem to lead to the expectation that the marketward movement during 1924 will be orderly and about normal in volume. There are those, however, who anticipate lighter receipts at markets next fall because of an anticipated decreased movement of range cattle. If prices advance sufficiently to encourage cattlemen to expand their operations this may eventuate. If, however, prices do not show more marked improvement than in 1923, it seems reasonable to expect sufficient liquidation to bring total market receipts of cattle up to or above those of last year.

The condition of ranges on the Plains and in the far West on February 1, 1924, averaged 88 per cent of normal compared with 86 per cent a year ago. In fact the range at the present time is in the best condition it has been for years with the single exception of some of the valleys in southern California. In most regions the past winter has been comparatively mild and cattle have wintered well. The average condition of cattle on February 1 was 92 per cent compared with 90 a year ago. Cows are generally in good condition and the calf crop this spring should be above the average. Supplies of hay and other dry feed have been conserved and surpluses are reported from certain sections.

Total importations of live cattle into the United States during 1923 were only 138,481 heads, whereas in 1922 Canada alone sent 206,419 cattle across the border. Total importations of beef and veal in 1923 decreased more than 47 per cent compared with those of 1922. During the latter year Canada alone exported to the United States 19,625,000 pounds of beef and veal, whereas in 1923 total importations into the United States from all sources amounted to only 19,356,000 pounds.

The expected decrease in hog and pork production in 1924 should help the cattleman in two ways—first by reducing the demand for, and therefore the price of, corn, and second, by relieving the market from the deluge of cheap pork which was so much in evidence during 1923 and allowing beef and cattle prices to make a nearer approach to the general commodity price level.

General industrial conditions will, of course, have much to do with determining beef and cattle prices. Beef is a prosperity meat and for that reason the cattleman usually suffers more than the hog producer during periods of business and financial depression.

To sum up, total receipts of cattle at public stockyards during 1924 are expected to be about equal to those of 1923 despite the possibility of somewhat lighter runs of range cattle next fall. If less pork is offered and pork prices advance, beef consumption may show some increase. In view of prospective favorable range and pasture conditions, cattle should come to market next fall carrying considerable flesh and fat. This, together with cheaper corn, may result in an increase in the average weight of cattle slaughtered during the early spring of 1925.

In a word, most signs appear hopeful for the experienced cattleman possessed of good judgment and reasonable resources; for the man who can keep down production costs. Although the cattle industry appears to have turned the corner, there is little apparent in the present situation to encourage material, immediate expansion.

DAIRY PRODUCTS.

The dairy industry since the war has been relatively more prosperous than certain other types of farming due to an increasing consumption of dairy products in this country.

In 1919, the per capita consumption of dairy products expressed in terms of whole milk was 831 pounds. In 1920 it was 841 pounds and in 1921, 923 pounds. In 1922 it rose to 950 pounds. This represents an increase of 14 per cent from 1919 to 1922. Available data for 1923 indicate a continued increase in per capita consumption.

This marked increase in consumption, total and per capita, was met by an increase in production of milk in the United States from 90,000,000,000 pounds in 1919 to 102,500,000,000 pounds in 1922, an increase of nearly 14 per cent.

In 1923 the net imports of butter and cheese amounted to 18,000,000 pounds and 56,000,000 pounds, respectively. With the net exports of condensed milk amounting to 184,000,000 pounds, deducted from these imports, there was left a net import balance equivalent to 477,000,000 pounds of whole milk.

Another significant fact to be noted is that during 1923 there was accumulated in the United States surplus stocks, principally of condensed milk and cheese, equivalent to 603,000,000 pounds of whole milk in excess of the stocks at the beginning of the year.

Estimates of the number of dairy cows in the United States on January 1, 1924, indicate that milk production will closely approximate the amount required for consumption at the present rate of consumption. A somewhat unfavorable factor in the outlook is the possibility of increase in supplies imported from foreign countries.

Dairy production has increased in foreign countries since the war. Already in 1922 the surpluses from exporting countries were fully equal to the pre-war exports and data available for 1923 indicate that a further increase was made that year. If the trend of milk production in exporting countries continues to increase as in recent years, the surplus available for export in 1924 will exceed that of 1923.

Preliminary reports show that Denmark has just finished a record year of butter export, with 242,000,000 pounds shipped out. Holland's exports of butter during 1923 amounted to 53,000,000 pounds, a slight increase. New Zealand, with 127,000,000 pounds of butter to the United Kingdom, more than maintained its record exports of 1922. Butter exports from Argentina were materially increased; its shipments to the United Kingdom alone were 55,000,000 pounds compared with 40,000,000 for 1922 and 7,000,000 before the war. Australia, on the other hand, suffered from severe drought last year which cut in half her 1922 butter exports of 101,000,000 pounds to the United Kingdom. Siberian butter has again come into the British markets. The Baltic States are becoming factors of some importance with their small but growing surpluses of butter.

Great Britain is the chief buyer of the world's exportable surplus of dairy products. In 1923 Great Britain imported besides shipments from the Irish Free State, approximately 5 per cent more butter than in 1922, bringing her total net imports up to 575,000,000 pounds. This was more than the amount of butter imported by that country in any pre-war year and indicates a total consumption of butter in Great Britain exceeding any pre-war year. British imports and domestic production, when measured in milk equivalent about balance each other. It is to be noted therefore that the British dairy industry has likewise been expanding in recent years.

If, in 1924, demand in the United States maintains greater strength in comparison with foreign demand, it is quite probable that a larger share of the world's exportable surplus will seek market in the United States and may prove to be an important factor in the dairy situation. The effect necessarily will be most marked upon those products which are imported.

Production of creamery butter in the United States has increased in the past five years an average of approximately 45,000,000 pounds annually. The estimate of number of dairy cows in the United States on January 1, 1924, showed an increase during the last year of 238,000 head. This represented more than the average annual increase for the previous five years and occurred mainly in butter producing territory. In other words, the probable increase in domestic butter production in 1924 is not likely to be below the prior average figure of 45,000,000 pounds.

From the best information available, the per capita consumption of butter in the United States in 1923 was approximately up to the pre-war level.

Available information shows the production of cheese in the United States in 1923 as an increase over 1922. Cheese imports amounted to 64,000,000 pounds, which slightly exceeded the heaviest pre-war annual importations.

It appears that any further increase in domestic cheese production must take account of the fact that our per capita consumption of cheese is practically back to the pre-war level. A very sensitive relationship usually exists between the price of cheese and the price of butter.

Total unsold stocks of condensed and evaporated milk at the beginning of 1924 are exceedingly large. The foreign demand in 1923, by the inclusion of purchases for European relief, about equaled that of 1922. There was a slight increase in the domestic demand. The present tendency to reduce production of condensed and evaporated milk may help toward bringing the prices of these products back to a parity with butter and cheese.

There is an increasing demand in cities for ice cream and milk drinks which may possibly offer an outlet for a part of the milk supply previously used for condensing purposes. Condensers usually also turn to the butter industry as an outlet for any milk which can not be profitably manufactured.

From many cities reports are current that the surplus of fluid milk and cream available for city distribution is increasing. The effect of this surplus and the relation of the milk market in general to the whole dairy situation may be expected to cause milk prices in 1924 to follow closely the general trend of butter and cheese prices.

In the last two years fluid milk and cream consumption in households has increased 4 gallons per capita or approximately 8 per cent. Improvement in quality accompanied by better merchandising and advertising should tend to promote a still larger increase in consumption.

The past year was one of great industrial prosperity, and consumer demand was maintained at a relatively high level. While the general situation does not appear necessarily disadvantageous to efficient producers, it clearly raises possibilities of increasing imports and a lower margin of profits. Although consumption is increasing, it is not a time for undue expansion of production but rather for greater efficiency.

SHEEP AND LAMBS.

The drastic liquidation in the sheep and lamb industry during 1920 and 1921 brought the production of lamb and mutton during 1922 and 1923 into a more favorable relation to demand. In a year when other meat animals were selling at relatively low prices, lambs sold during 1923 at generally satisfactory prices, though there was a downward tendency in prices until the last part of November. This decline checked the movement of stockers and feeders to the country in the late fall of 1923 and early winter of 1924, and resulted in fewer lambs being placed on feed. Since then prices have rallied sharply, and the market has been strong.

Though the estimated number of lambs on feed in the Corn Belt and the Western States on December 1, 1923 (5,170,000), was 3 per cent higher than twelve months previous, heavy marketings in December and a falling off in the purchase of stockers and feeders decreased the estimated number on feed by January 1, 1924, to 4,120,000 head, 4 per cent less than the number on the same date of last year. The decrease, as compared with a year ago, occurred mainly in Idaho, Nevada, California, Southern Colorado, and the Corn Belt, and was partly balanced by increases in Utah, Montana, Wyoming, and northern Colorado. The reduction of lambs on feed in the Western States was confirmed by the low shipments to market from that territory during January and February as compared to last year.

Information now available regarding conditions in the early lambing areas—California, Arizona, Kentucky, and Tennessee—indicates a material reduction in the market supply of spring lambs in April, May, and June, as compared with last year. The Corn Belt and the Northwest give promise of a larger crop than last year, hence, market supplies in July and August will probably be larger.

Prospects with regard to future market supplies favor a continuation of the present strong market during the next two or three months. The crop of late lambs, however, if it proves to be as large as present conditions would indicate, is a factor which can not be ignored. The rather limited outlet for lamb and mutton as compared with that for other meats results in the market being

often oversupplied temporarily, and these gluts cause sharp price fluctuations. Furthermore, while lamb consumers as a class are usually able to pay more for their meats than those who depend mostly on beef and pork there is a limit to the price which even they will pay for this delicacy.

The demand for wool makes part of the composite demand for sheep and lambs. The future trend in the sheep industry will be partly the result of changes in the price of wool. Future development in lamb and mutton production will be affected by the trend in wool prices, and no long time outlook can ignore this side of the question.

WOOL.

Since the United States produces only 10 per cent of the world's total production and we consume 25 per cent of the total world supply, the conditions and the activity of foreign markets have a decided influence upon domestic conditions.

In 1923 wool production in the United States was 50,000,000 pounds less than the 1909-1913 yearly average, but slightly greater than in the preceding year. The world's wool production decreased about 600,000,000 pounds since 1909-1913, which is about equal the yearly requirements of the United States. The world's production for 1923 was about 66,000,000 pounds below that of 1922.

Thus it will be seen that the immediate trend of wool production is downward. Advices from the principal wool producing countries other than the United States indicate that production in 1924 will not equal the 1923 clip. In no case is there any intimation of a substantial increase in production for 1924. A slight increase in the United States may be expected in view of the 3.1 per cent increase in numbers of sheep on farms on January 1, 1924.

United States 1923 imports were 190,000,000 pounds more than the 1909-1913 yearly average. Imports into the United States for the seven months ending January 1, 1924, were, however, only 37 per cent of the imports for the corresponding period one year previous. Moreover, exports and reexports from the United States during 1923 were the largest on record. Imports into England, France, Belgium, and Germany also showed a decrease to an amount of 750,000,000 pounds. The 1923 imports of these European countries showed a decrease of approximately 50 per cent compared with 1922.

Wool prices in London during December, 1923, were higher (scoured basis) than those prevailing for the same month one year previous. Fine wools were selling slightly higher, while medium wools sold from 7 to 10 cents per pound higher.

Indications point toward considerably lower quantities of world carry-over stocks. Enormous supplies held by the British-Australian Wool Realization Association decreased from 913,215 bales on January 1, 1923, to 209,614 bales on January 1, 1924. Reports from South America and Australia indicate that stocks on hand were very small. Stocks in the United States on January 1, 1924, were the lowest reported since 1917.

On the supply side, the wool situation is distinctly favorable for producers. The price of wool has stimulated production in this country during the past year and it appears that, with present tariff rates, a further increase in production could be profitably made.

POULTRY AND EGGS.

Farms are equipped for producing more chickens and eggs in 1924 than in any previous year. It is estimated that there were 474,000,000 chickens on farms January 1, an increase of about 50,000,000 or nearly 12 per cent since the preceding year and of 115,000,000 since January 1, 1920, or about 32 per cent.

In the West North Central States, which rank first in surplus farm production of poultry and eggs, there were 140,000,000 chickens on farms January 1, a gain during 1923 of 18,000,000, or 15 per cent. The South Central States also gained 15 per cent in numbers during 1923.

Production of eggs increased 33.3 per cent from 1920 to 1923, whereas the population of the country increased only 5.3 per cent. The possibility of export trade becoming a material factor in absorbing this increased production is negligible.

The per capita consumption of domestic chicken eggs, exclusive of those set for hatching, has increased from 14.6 dozens in 1920 to 16.5 dozens in 1921, 16.9 dozens in 1922, and 18.6 dozens in 1923.

The average weighted price of eggs to farmers in 1923 was 27.27 cents per dozen against 25.86 cents the previous year, or 5.4 per cent higher. This spring, however, market prices of eggs have taken a big drop and are below prices on March 15 of last year.

The dressed poultry situation presents a somewhat more favorable outlook at this moment. The carryover of frozen stocks on March 1 was 17.6 per cent lower than on the same date last year, and was 1.1 per cent lower than the 5-year average. Poultry prices also are in a more favorable position than egg prices. This shortage of storage stocks of poultry may be expected to permit an increased production of poultry to be marketed without greatly reducing prices. Turkeys do not share in this favorable storage position for the stocks are heavier than ever before. The possibility of lowered egg prices, however, may have a material effect upon the dressed poultry situation. If egg prices decline sufficiently to discourage producers, causing them to reduce their flocks, a materially larger number of hens will be marketed with the resulting effect on poultry prices, especially of hens. Such reduction of flocks would tend to reduce egg production and strengthen egg prices.

No important change may be expected in import and export trade movement. Although the tariff of 1923 was higher than during the greater portion of 1922, the imports of dried and frozen eggs dropped off only about 2,000,000 pounds, or about 12 per cent. Production costs in China, which is the principal source of our import supply, are apparently such that we may expect to continue to receive egg products in considerable quantities from that country during 1924. Under the present tariff, imports of shell eggs are likely to be negligible. While there may be some fluctuations in exports of both poultry and eggs, the quantities exported will probably approximate those of 1923 and will not be sufficient to influence materially the poultry situation. The situation in 1924 clearly indicates an increase in production of both poultry and eggs. The increase will probably be such as to make an accelerated rate of consumption of eggs necessary.

While an increase in the supply of poultry on the markets is also indicated the comparative shortage in the carryover of cold-storage stocks of most classes may enable the market to easily absorb the supply.

In view of the outlook for poultry industry in 1924 producers should consider carefully the results of an expansion of poultry production. Every effort should be made to obtain more economical and more efficient production for eggs produced at a lower cost and a larger production per hen would tend to increase the profits, should lower prices prevail. Higher quality products will help to stimulate consumption and thereby strengthen market prices.

FARM HORSES AND MULES.

On January 1, 1924, the number of horses and mules on farms in the United States was less than 90 per cent of the number on farms five years previous. During this period the average value per head of horses decreased from \$98 to \$64, and mules from \$136 to \$84.

Receipts of horses and mules at 67 markets in the United States decreased from 1,068,000 in 1919 to a low point of 317,000 in 1921 and increased to 551,000 in 1923.

Stallion and jack registration figures indicate that the numbers of mares being bred has been decreasing regularly since 1915. The stallion registration figures from 22 States show that the number registered in 1922 was 34 per cent of the number registered in 1915. There was little if any increase in 1923.

It is probable that a shortage of good work horses will occur before many years and that the prices of horses will reach a higher level within the next few years. Although there appears to be a tendency in the larger cities to utilize horses for short hauls, there does not seem at present to be any marked increase in the general city demand for horses.



